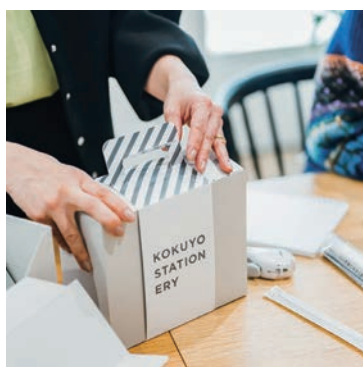


KOKUYO

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INTEGRATED REPORT 2024

Kokuyo Group Integrated Report



Value System

The future we imagine

A self-directed, collaborative society

Values

Co-creation
with empathy

Culture of
experimentation

Designing
experiences

Purpose

Presenting
a tomorrow you
can't wait for.

Vision for 2030

**WORK & LIFE
STYLE Company**

Shift to
the "Forest-Like
Management Model"

Our philosophy

be Unique.

Stimulate creativity and celebrate uniqueness.

The future we imagine

The future we imagine is one in which diverse values are respected, in which personal fulfillment is balanced with helping and supporting others, in which everyone lives life to the full, and in which people are connected in their work life, study life, and private life—a circular economy and a harmonious society. This is the future society we want to help build, and we have named it the "self-directed, collaborative society."

Values

To present a future you can't wait for, we have cultivated three strengths. The first is co-creation with empathy, the ability to empathize with customers' issues and co-create value with customers. The second is our ability to design experiences—in other words, to visualize customers' experiences. The third is our culture of experimentation, in which we keep trying out new ideas, without fear of failure. We want our products and services to deliver experiences that inspire creativity and empower uniqueness. We want to co-create new value for a better tomorrow.

Purpose

Our vision of a self-directed, collaborative society is no easy feat. The world has grown more complex than ever and we may always face uncertainties and fears about the future. Nonetheless, we believe that a better tomorrow will come if creativity and diversity are flourish. That is why we keep pitching new ways of working and living—a future you can't wait for. We want people to live free, creative, and more authentic lives, unbound by the past. We will always accompany our customers as they take on their own personal challenges.

Vision for 2030

Our long-term vision, CCC 2030,* sets out the goal of reaching 500 billion yen in net sales by 2030 through the Forest-Like Management Model. The most important task in this vision is to become a diverse ecosystem of businesses for sustainable growth. To that end, we commit to a fundamental transformation of our corporate culture, our organizational approaches (including human resources), and our way of empowering individuals.

*CCC stands for "change, challenge, create."

Our philosophy

Ever since its foundation, Kokuyo has always followed a philosophy of making a positive impact through its products. While this philosophy remains central to our entrepreneurial spirit, we now use the phrase "Be Unique" to express our philosophy and value-creating ethos in a way that is relevant to today's challenges, in a world that is undergoing tumultuous changes. "Be Unique" expresses the idea that we produce products and services that deliver experience value, inspiring creativity and empower uniqueness.

Path of Business Growth

An evolving business portfolio that creates new value

First medium-term plan

2016 - 2018

Self-reform focusing on value creation

Value Transformation 2018

1 Transform operation model

2 Achieve profitable manufacturing model

Net sales result: ¥315.1 billion

Operating income ratio: 5.8%

Second medium-term plan

2019 - 2021

Enabling sustainable growth

Smart & Sustainable Transformation 2021

1 Diversify revenue in order to smarten our earning power

2 Grow businesses over the medium- to long-term

Net sales result: ¥320.1 billion

Operating income ratio: 6.2%

Third medium-term plan

2022 - 2024

Tweak existing business and expand their fields

Field Expansion 2024

1 Dynamic investment

2 Empowered talent

3 Active innovation

4 Social value and business value

Net sales target: ¥355.0 billion

Operating income ratio target: 6.9%

* Retroactively adjusted to account for impact of new revenue recognition standard

Long-term vision and medium-term plans

2022

2023

2024

2025

2026

2027

2028

2029

2030

Long-term vision CCC 2030

Third medium-term plan

Fourth medium-term plan

Fifth medium-term plan

1905 » 1968

Early years, groundwork for growth

Kokuyo traces its history back to 1905. In that year, our founder opened a shop in Osaka, believing that any business will succeed as long as it provides something useful. Initially, he produced binders for Japanese-style ledgers (wacho) under contract. He then started producing his own wacho with built-in binders.

1905

Established

Kuroda starts producing his own wacho

Kuroda starts producing other paper goods (payment slips, notepads, carbon books)

In this year, Zentaro Kuroda opened the Kuroda Ledger Cover Shop, a maker of binders for Japanese-style ledgers (wacho).

1917

"KOKUYO" (国誉) adopted as company name

Kokuyo launches range of notepads featuring intricately colored covers

In this year, Kokuyo launched range of filing cabinets. Through this business, Kokuyo gathered customer feedback, gaining insight into customers' office layout needs. Guided by this feedback, Kokuyo eventually started marketing office space solutions, the origin of Kokuyo's shift from tangibles to intangibles. This entrance into office furniture marked the start of many years of business expansion.

1932

Kokuyo founds Nationwide Kokuyo Association of Specialized Shops

Kokuyo changes Japanese name from 国誉 to コクヨ株式会社 (KOKUYO Co., Ltd.)

1957

Office space opened to public (as part of "live office" project)

Kokuyo listed on the first sections of the Tokyo Stock Exchange and the Osaka Securities Exchange

1960

Kokuyo launches Campus range of notebooks

Tokyo Shinagawa office built

1961

Production of steel desks begins at Mie Plant

Production of building materials begins at Shibayama Plant

1969

Office space opened to public (as part of "live office" project)

Kokuyo launches Campus range of notebooks

1972

Production of steel desks begins at Mie Plant

Production of building materials begins at Shibayama Plant

1975

Office space opened to public (as part of "live office" project)

Kokuyo listed on the first sections of the Tokyo Stock Exchange and the Osaka Securities Exchange

1979

Kokuyo launches Campus range of notebooks

Tokyo Shinagawa office built

1993

Office space opened to public (as part of "live office" project)

Kokuyo listed on the first sections of the Tokyo Stock Exchange and the Osaka Securities Exchange

1994

Office space opened to public (as part of "live office" project)

Kokuyo listed on the first sections of the Tokyo Stock Exchange and the Osaka Securities Exchange

1998 » 2014

Reform, expansion in Asia

After Japan's asset price bubble burst, structural recession ensued and persisted into the new millennium. Responding to these conditions, Kokuyo launched a bold program of reform, including an overhaul of distribution channels and organizational restructuring. In 2004, Kokuyo formed a corporate group by spinning off its businesses and establishing a holdings company.

1999

Kaunet's inaugural issue

Production begins at Malaysia Plant

2001

Kokuyo launches Easybuy, a platform for purchasing office supplies, in China

Kokuyo founds Kokuyo Trading (Shanghai) Co., Ltd., marking its full launch in China

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2012

Kokuyo launches Easybuy, a platform for purchasing office supplies, in China

Kokuyo founds Kokuyo Trading (Shanghai) Co., Ltd., marking its full launch in China

2015

After signing succession agreement, Kokuyo acquires Hotrock Stationery (S.Z.) Co., Ltd., China's largest notebook manufacturer

Office showrooms opened in Shanghai and Singapore

Production of notebooks begins at Shanghai Plant, operated by Kokuyo Commerce (Shanghai) Co., Ltd.

2021

Kokuyo unveils long-term vision CCC 2030

Kokuyo opens The Campus as a lab for testing new workstyles

2022

Kokuyo acquires HNI Hong Kong Limited

HNI Hong Kong Limited renamed Kokuyo Hong Kong Limited

2015

Campus notebooks sold in China

Kokuyo Hong Kong Limited

2021

Kokuyo unveils long-term vision CCC 2030

Kokuyo opens The Campus as a lab for testing new workstyles

2022

Kokuyo acquires HNI Hong Kong Limited

HNI Hong Kong Limited renamed Kokuyo Hong Kong Limited

Net sales over time

Established

1979 ¥100 billion

1988 ¥200 billion

1991 ¥300 billion

2005 Centenary

2008 financial crisis

2011 Tohoku earthquake/tsunami

2023 ¥328.7 billion

* Retroactively adjusted to account for impact of new revenue recognition standard

3

KOKUYO CO., LTD.

Integrated Report 2024

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Business Fields

To achieve our long-term vision CCC 2030, we have redefined our role as that of a work and lifestyle company. This means that we will now transcend our traditional categories of furniture and stationery and create solutions for a more abundant life. To reflect this redefined role, we have reorganized our four business segments into two “fields”: the Workstyle Field and the Lifestyle Field.

WORK STYLE

Work Workstyle Field



LIFE STYLE

Learning, daily life Lifestyle Field



Furniture Businesses

In Japan and overseas (primarily, China and ASEAN), we sell office furniture such as desks and chairs. We also provide consulting services for office design and workstyle solutions and deliver setup services.

Our immediate focus is to establish sustained performance by capitalizing on demand for new office builds accompanying the supply of large office blocks in the Greater Tokyo Area and by winning contracts for office renovations designed to accommodate changes in workstyles.

Our future focus is to expand the reach of this business field. To that end, we will expand our office-space lineup, including timber products, digital services, and office setup services, and expand into new Asian markets and markets in other regions.

Japanese furniture business

Overseas furniture business



FY2023 results

| | | |
|------------------|----------------|-------------------------|
| Net sales | ¥154.4 billion | YoY change: Up 14.5% |
| Operating income | ¥22.4 billion | YoY change: Up 35.9% |

Business Supply Distribution

We have a wholesaling business and office mail order (or online shopping) business in which we sell office-ware such as stationery.

Our immediate focus is to improve revenue and profit by growing the customer base. To that end, we are strengthening e-marketing amid the rise of e-commerce, which was prompted by the pandemic.

Our future focus is to introduce a solutions system for large-scale clients that will make the purchasing process more efficient and better suited to diversified workplaces and that will offer a wider lineup. In expanding our lineup, we will channel our direct marketing function. We will also enhance our Group's marketing function.

E-commerce / mail order, Kaunet



FY2023 results

| | | |
|------------------|---------------|-------------------------|
| Net sales | ¥97.8 billion | YoY change: Up 2.6% |
| Operating income | ¥3.8 billion | YoY change: Up 19.1% |

Stationery Businesses

As a manufacturer of general stationery products, including notebooks and files, we sell stationery in Japan and overseas through a wide range of distribution channels.

Our immediate focus is to reform the business structure to enable a full-scale global expansion of the business, with an eye on the growing market for value-added stationery that aligns with people's desire for self-expression (on social media, for example).

We have achieved success in marketing stationery and other items as lifestyle goods to secondary-school girls in China. Our future focus is to expand the reach of the business field by expanding from China to other Asian markets and winning new audiences there.

Japanese stationery business

Overseas stationery business



FY2023 results

| | | |
|------------------|---------------|------------------------|
| Net sales | ¥83.8 billion | YoY change: Up 6.9% |
| Operating income | ¥6.8 billion | YoY change: Up 0.2% |

Interior Retail Businesses

Through Actus, a subsidiary in which we first invested in 2006, we operate a furniture wholesale and retail business, which includes brick-and-mortar stores and an online store (Actus Online). Actus has a popular chain of interior décor stores for the general public. The stores feature elegant Scandinavian furniture along with original brands of high-quality goods, including furniture, household goods, curtains, and kitchen units.

Our immediate focus is to develop a marketing strategy that integrates Actus Online with the offline Actus stores in order to capitalize on new home life needs amid the burgeoning demand for interior goods.

Our future focus is to increase the relative share of online sales and expand the reach of the field with an eye on the rising demand for online shopping, which was prompted by the pandemic.

ACTUS



FY2023 results

| | | |
|------------------|---------------|---------------------------|
| Net sales | ¥20.3 billion | YoY change: Up 3.2% |
| Operating income | ¥0.6 billion | YoY change: Down 35.8% |

Message From the Editing Team

Clarifying how our strategies are linked to our strengths

To give stakeholders a good idea about how Kokuyo is growing and creating new value, this third integrated report reviews our performance in FY2023, identifies problems, and includes information about 2024 (the final year of the third medium-term plan), namely the progress we are making and the tasks we must address to achieve our goals. We have tried to communicate in a clearer and more logically cogent manner the steps toward the fourth medium-term plan, the strategies we are pursuing to achieve our long-term vision, and the future outlook.

What we have tried to emphasize in particular are Kokuyo's strengths—the source of our value creation. We have three strengths: co-creation with customers, creativity-inspiring technology, and human capital. We show what strategies we are taking with respect to each strength and cite examples of the outcomes these strategies are delivering.

Key points

- We created a more compelling Value Creation Story to make our internal and external stakeholders feel more convinced and confident.
- We have included messages from the CEO and other executive officers to give a clearer idea about the three strengths.
Message from the CEO, interviews
- We placed greater emphasis on stakeholder communication in sustainable management and in our materiality action, which are our long-term endeavors.
Commitment to our materiality, stakeholder dialogues

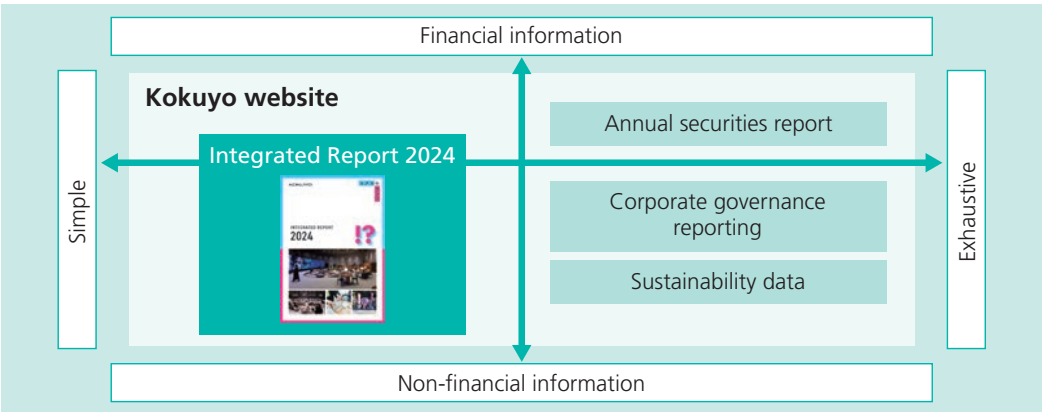
Period to which this report pertains

This report pertains to the fiscal year ended December 31, 2023, but it also includes information that predates or postdates that fiscal year.

Disclaimer on forward-looking statements

This report contains performance forecasts and other forward-looking statements. Such statements are based on information available and on assumptions considered reasonable at the time of compilation. They should NOT be taken as assurances that the forward-looking statements will prove accurate. Actual results or future events could diverge markedly from forecasts for a variety of reasons.

Disclosures



| Main content | |
|------------------------------------|--|
| Integrated reporting (this report) | Systematic reporting about our business activities and the value we deliver to society |
| Corporate governance reporting | Corporate governance information that we file to the TSE in accordance with the Corporate Governance Code Includes our approach to corporate governance and information about our corporate governance structures |
| Sustainability data | Detailed ESG data (detailed data on environmental, social, and governance aspects of sustainability) (https://www.kokuyo.co.jp/sustainability/index.html) |

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